

AMENDED IN ASSEMBLY MAY 21, 2009

AMENDED IN ASSEMBLY MAY 13, 2009

AMENDED IN ASSEMBLY APRIL 16, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

## ASSEMBLY BILL

**No. 1028**

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**Introduced by Assembly Member Blumenfield**

February 27, 2009

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An act to add and repeal Section 6398 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1028, as amended, Blumenfield. Sales and use taxes: exemption: energy efficient products.

The Sales and Use Tax Law imposes a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal purchased from a retailer for storage, use, or other consumption in this state. *State sales and use tax revenues are transferred to the General Fund and to various special funds.* Existing law provides various exemptions from those taxes.

This bill would also exempt from those taxes from April 1, ~~2010~~, to and including April 30, ~~2010~~ *of each year from 2010 to 2020, inclusive*, the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, qualified renewable energy systems, as specified. *The bill would make its operation contingent upon the adoption of greenhouse gas emission fees under the California Global Warming Solutions Act of 2006 and the appropriation by the Legislature*

*of revenue from the fees sufficient to fully offset the revenue loss to the General Fund due to the exemption.*

The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes counties and cities to impose local sales and use taxes in conformity with the Sales and Use Tax Law, and the Transactions and Use Tax Law authorizes districts, as specified, to impose transactions and use taxes in conformity with the Sales and Use Tax Law.

Exemptions from state sales and use taxes enacted by the Legislature are incorporated into the those taxes. Section 2230 of the Revenue and Taxation Code provides that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.

This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Solar-generated electricity is uniquely suited to California's
- 4 needs because it produces electricity when the state most needs it,
- 5 during the peak demand hours in summer afternoons when the sun
- 6 is the brightest and air conditioners are running at capacity.
- 7 (b) Procuring solar electric generation capacity to meet peak
- 8 electricity demand increases system reliability and decreases the
- 9 state's dependence on unstable fossil fuel supplies.
- 10 (c) Solar energy systems provide substantial energy reliability
- 11 and pollution reduction benefits, diversify the state's energy supply,
- 12 and thereby reduce the state's dependence on imported fossil fuels.
- 13 (d) Since 1970, April 22 as Earth Day has been celebrated as a
- 14 day of action to change human behavior and provoke policy
- 15 changes to promote personal, corporate, and governmental
- 16 responsibility for preserving the Earth.
- 17 (e) Encouraging people to install solar or other renewable energy
- 18 systems would contribute to the state's achieving climate change

goals required by the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code).

SEC. 2. Section 6398 is added to the Revenue and Taxation Code, to read:

6398. (a) To commemorate the ~~40th anniversary~~ *through 50th anniversaries* of Earth Day, on and after April 1, ~~2010~~, to and including April 30, ~~2010~~ *of each year from 2010 to 2020, inclusive*, there are exempted from the taxes imposed by this part, the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, qualified renewable energy systems that are placed in service in a utility territory covered by the California Solar Initiative.

(b) For purposes of this section, “qualified renewable energy systems” means those systems deemed by the California Public Utilities Commission to be eligible solar electric equipment under the California Solar Initiative *that produce at least one kilowatt and not more than 10 kilowatts alternating current rated peak electricity*.

(c) *This section shall become operative when both of the following have occurred:*

(1) *The establishment of a greenhouse gas emission fee under the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code).*

(2) *The Legislature appropriates revenue from the greenhouse gas emission fee imposed pursuant to the California Global Warming Solutions Act of 2006 sufficient to fully offset the revenue loss to the General Fund due to the exemption provided by this section.*

~~(e)~~

(d) This section shall remain in effect only until July 1, ~~2010~~ 2020, and as of that date is repealed.

SEC. 3. Notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made by this act and the state shall not reimburse any local agency for any sales and use tax revenues lost by it under this act.

1       SEC. 4. This act provides for a tax levy within the meaning of  
2       Article IV of the Constitution and shall go into immediate effect.

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